

County Council Of Howard County, Maryland

2007 Legislative Session

Legislative Day No. 3

Bill No. 10-2007

Introduced by Calvin Ball

AN ACT altering the qualifications for a property tax credit for certain senior citizens; providing for the rate of the credit; clarifying certain calculations; providing for publicity for the credit; and generally relating to property tax credits.

Introduced and read first time _____, 2007. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2007.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2007 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this __day of _____, 2007 at ___ a.m./p.m.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2007

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1 *Section 1. Be it enacted by the County Council of Howard County, Maryland, that Section*
2 *20-129 “Property tax credit for senior citizens”, of Part III “State-Authorized Howard*
3 *County Tax Credits” of Subtitle 1 “Real Property Tax Administration, Credits and*
4 *Enforcement”, of Title 20 “Taxes, Charges, and Fees”, of the Howard County Code, be*
5 *amended to read as follows:*

6
7 **Title 20. Taxes, charges, and fees.**

8
9 **Subtitle 1. Real Property Tax Administration, Credits and Enforcement.**

10
11 **Part III. State-Authorized Howard County Tax Credits.**

12
13
14 **Section 20.129. Property tax credit for senior citizens.**

15 (a) Definitions.

16 (1) In this section, the following terms have the meanings indicated.

17 (2) [[Baseline year means the taxable year preceding the first of the continuous series
18 of taxable years for which a taxpayer receives a credit under this section.

19 (3)]] Combined income means the combined gross income of all individuals who
20 actually reside in a dwelling except an individual who:

21 (i) Is a dependent of the homeowner under § 152 of the Internal Revenue
22 Code; or

23 (ii) Pays a reasonable amount for rent or room and board.

24 ~~(3) — NET WORTH HAS THE MEANING STATED IN § 9-104 OF THE TAX-~~
25 ~~PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.~~

26 (3) NET WORTH MEANS, AFTER DEDUCTING OUTSTANDING LIABILITIES,
27 THE SUM OF THE CURRENT MARKET VALUE OF ALL ASSETS:

28 (I) INCLUDING REAL PROPERTY, CASH, SAVINGS ACCOUNTS, STOCKS,
29 BONDS, AND OTHER INVESTMENTS; BUT

30 (II) NOT INCLUDING THE DWELLING FOR WHICH A PROPERTY TAX
31 CREDIT IS SOUGHT UNDER THIS SECTION, THE CASH VALUE OF ANY
32 LIFE INSURANCE POLICIES ON THE LIFE OF THE HOMEOWNER, AND
33 TANGIBLE PERSONAL PROPERTY.

1 (b) Credit Established.

2 (1) In accordance with § 9-245 of the tax-property article of the Annotated Code of
3 Maryland, the owner of real property may receive a property tax credit against the county
4 property tax imposed on the property if the property is owned, wholly or partly, by an individual:

5 (i) Who is at least 70 years old;

6 (ii) Who uses the property as the individual's principal residence for at least
7 the period that would be required to qualify for the credit under § 9-104 of the tax-
8 property article of the Maryland Annotated Code; [[and]]

9 (iii) Who lives in a household with a combined income that does not exceed
10 [[~~\$75,000~~ a]] 400% 500% OF THE MOST RECENT POVERTY GUIDELINES FOR A
11 HOUSEHOLD OF 2 INDIVIDUALS UPDATED PERIODICALLY IN THE FEDERAL
12 REGISTER BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
13 SERVICES UNDER 42 U.S.C. 9902(2); AND

14
15 (IV) WHO LIVES IN A HOUSEHOLD WITH A COMBINED NET WORTH
16 THAT DOES NOT EXCEED ~~THE ELIGIBILITY LIMIT FOR THE HOMEOWNERS'~~
17 ~~TAX CREDIT UNDER § 9-104 OF THE TAX-PROPERTY ARTICLE OF THE~~
18 ~~ANNOTATED CODE OF MARYLAND~~ \$500,000.

19 (2) The amount of the credit shall equal [[:

20 (i) The increase of the county property tax in the year for which the credit is
21 sought over the county property tax in the baseline year; plus

22 (ii)] 25% of the COUNTY property tax [[in the baseline year]] DUE IN THE
23 CURRENT YEAR AFTER APPLYING THE HOMESTEAD CREDIT AUTHORIZED
24 UNDER § 9-105 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE
25 OF MARYLAND..

26 (3) The amount of the credit shall be calculated after all other credits granted for that
27 property under this subtitle or the Tax-Property article of the Annotated Code of Maryland have
28 been applied SO THAT THE CREDIT GRANTED UNDER THIS SECTION MAKES UP ANY
29 DIFFERENCE BETWEEN (I) THE SUM OF ALL THE OTHER PROPERTY TAX CREDITS

1 AND (II) THE AMOUNT THAT THIS CREDIT WOULD BE IF THERE WERE NO OTHER
2 CREDITS.

3 (4) Property taxes attributable to an increase in the value of the property because of
4 substantial improvements to the property shall be excluded from the calculation described in
5 paragraph (2) of this subsection.

6
7 (c) Duration of Credit. The tax credit authorized by this section continues as long as an
8 owner and the property remain qualified under subsection (b) of this section.

9
10 (d) Application. To receive the credit, a property owner shall APPLY FOR ALL OTHER
11 CREDITS THAT MAY BE AVAILABLE FOR THAT PROPERTY AND submit an application
12 to the Department of Finance:

- 13 (1) On the form that the Department of Finance Requires;
14 (2) That demonstrates that the owner is entitled to the credit; and
15 (3) On or before the date that the Department of Finance sets.

16
17 (e) Administration. The Department of Finance may adopt guidelines and procedures to
18 administer this section.

19
20 (f) PUBLICITY.

21 (1) THE DIRECTOR OF FINANCE SHALL DEVELOP AND CARRY OUT A
22 PLAN TO PUBLICIZE THE CREDIT AUTHORIZED BY THIS SECTION. THE PLAN
23 SHALL BE DESIGNED TO REACH THOSE TAXPAYERS MOST LIKELY TO BE
24 ELIGIBLE FOR THE CREDIT.

25 (2) THE DEPARTMENT OF CITIZEN SERVICES, OR ANOTHER
26 APPROPRIATE UNIT OF COUNTY GOVERNMENT THAT THE COUNTY EXECUTIVE
27 SELECTS, SHALL DEVELOP AND CARRY OUT A PLAN TO EDUCATE SENIOR
28 CITIZENS ABOUT THE CREDIT AUTHORIZED BY THIS SECTION.

29

1 (G) Effective Date. The credit authorized by this section applies to tax years beginning after
2 June 30, 2007.

3 (H) REPORT. ON OR BEFORE SEPTEMBER 30 OF EACH YEAR, THE DEPARTMENT
4 OF FINANCE SHALL SUBMIT A REPORT TO THE COUNTY COUNCIL AND THE
5 COUNTY EXECUTIVE THAT INCLUDES THE NUMBER OF APPLICATIONS AND
6 AMOUNTS OF CREDITS GRANTED UNDER THIS SECTION.

7

8 *Section 2. And Be It Further Enacted by the County Council of Howard County,*
9 *Maryland, that this Act shall become effective 61 days after its enactment.*

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